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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this	day of	June.	, 2008, by ar	nd between
Jacquelin Austin All	en FIKIA	Jacquelim	Maxing Allen	a Single Person
whose addresss is 5565 Randu AVO and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Ave hereinabove named as Lessee, but all other provisions (Included 1. In consideration of a cash bonus in hand paid and described land, hereinafter called leased premises:	nue, Suite 1870 Dal	las Texas 75201, as blank spaces) were pr	Lessee. All printed portions of this repared jointly by Lessor and Lesse	e.
OUT OF THE VIEW Park  TAT WOOTH IN VOLUME 388-Z , PAGE		JNTY, TEXAS, A	ADDITION, AN AD CCORDING TO THAT CER RECORDS OF TARRANT	
in the County of <u>Tarrant</u> , State of TEXAS, containingreversion, prescription or otherwise), for the purpose of exp substances produced in association therewith (including groommercial gases, as well as hydrocarbon gases. In additional now or hereafter owned by Lessor which are contiguous Lessor agrees to execute at Lessee's request any additional of determining the amount of any shut-in royalties hereunder,	cloring for, developing eophysical/seismic of on to the above-descr s or adjacent to the a or supplemental instru	, producing and mark perations). The term ibed leased premises, bove-described leased ments for a more com	"gas" as used herein includes h this lease also covers accretions a premises, and, in consideration of plete or accurate description of the	ydrocarbon and non hydrocarbon ellurn, carbon dioxide and other and any small strips or parcels of f the aforementioned cash bonus, land so covered. For the purpose
2. This lease, which is a "paid-up" lease requiring no reas long thereafter as oil or gas or other substances covered to otherwise maintained in effect pursuant to the provisions here.  3. Royaltles on oil, gas and other substances produce separated at Lessee's separator facilities, the royalty shall be Lessor at the wellhead or to Lessor's credit at the oil purchas the wellhead market price then prevailing in the same field a prevailing price) for production of similar grade and gravity production, severance, or other excise taxes and the costs in Lessee shall have the continuing right to purchase such production, severance, or other excise taxes and the costs in Lessee shall have the continuing right to purchase such produce one such price then prevailing in the same field, then in the neather same or nearest preceding date as the date on which Lesmore wells on the leased premises or lands pooled therewith are waiting on hydraulic fracture stimulation, but such well or be deemed to be producing in paying quantities for the purporthere from is not being sold by Lessee, then Lessee shall p Lessor's credit in the depository designated below, on or befull the well or wells are shut-in or production there from is is being sold by Lessee from another well or wells on the leafollowing cessation of such operations or production. Lessee terminate this lease.  4. All shut-in royalty payments under this lease shall be be Lessor's depository agent for receiving payments regardles draft and such payments or tenders to Lessor or to the depositored address known to Lessee shall constitute proper payment. If	nereby are produced in of. d and saved hereund e 14.22 A-1 - ear's transportation and (or if there is no such ty; (b) for gas (incluing the proceeds realized neutred by Lessee in uction at the prevailing earest field in which the same capable of either are capable of either are capable of either are capable of either shut-lings are either shut-lings of maintaining this ay shut-in royalty of core the end of said 90 ore the end of sai	n paying quanlities fro ler shall be paid by Le cilities, provided that Le price then prevailing ding casing head gath by Lessee from the delivering, processing gwellhead market price is such a prevaille purchases hereunder; producing oil or gas or nor production there is lease. If for a period and there is see; provided that if the disposed therewith, no pay shut-in royalty shut-in royalty shut-essor or to Lessor's ownership of said land to the stamp of the stamp of the same in the same of the same in the same of the same in th	m the leased premises or from land respect to Lessor as follows: (a) For %) of such production, to be essee shall have the continuing right in the same field, then in the near s) and all other substances cover as all other substances cover the respectively or otherwise marketing such gas coperated for production of similar quant grice) pursuant to comparable pland (c) if at the end of the primary for other substances covered hereby orm is not being sold by Lessee, such of 90 consecutive days such well en covered by this lease, such payanter on or before each anniversary is lease is otherwise being maintain of shut-in royalty shall be due until fall render Lessee liable for the amount of the substances of the same credit in at lessor's address about All payments or tenders may be misted envelope addressed to the depotence of the such as the substances of the depotence of the substances.	oil and other liquid hydrocarbons to delivered at Lessee's option to hit to purchase such production at rest field in which there is such a red hereby, the royalty shall be e part of ad valorem taxes and or other substances, provided that ditiy in the same field (or if there is urchase contracts entered into on term or any time thereafter one or in paying quantities or such wells the well or wells shall nevertheless or wells are shut-in or production ment to be made to Lessor or to y of the end of said 90-day period next ount due, but shall not operate to the end of the 90-day period next ount due, but shall not operate to the count of the successors, which shall adde in currency, or by check or by ository or to the Lessor at the last

payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted within 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated additional wells except as expressly provided herein

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or horizontal horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations on the teased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or confraction or both, either before or after commencement of p prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises

The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or entarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall have the effect or reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest shall not affect the plabte of arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to

pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lesser or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

In Lessee releases at or an untrivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately feduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pils, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithistanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor have leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall bay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the lease d premises or such

Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to

purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is illigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are

easement under and through the leased premises for the placement of well bores (along rodies selected by Lessee) from on or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royally or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

This tease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original. DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written heirs, devisees, executors, administrators, successors and assigns, whether or not this lease	
LESSOR (WHETHER ONE OR MORE)  By Jakque Know Austin Atlen	Ву:
ACKNOWLED	GMENT
STATE OF KAS  COUNTY OF Tarrant  This instrument was acknowledged before me on the And day of by: Occourty of Nustran Allen	June , 2008,
MARIA MUNOZ PADILLA Notary Public, State of Texas My Commission Expires October 05, 2011	Notary Public, State of TX.  Notary's name (printed): Notary's commission expires:
STATE OF COUNTY OF This instrument was acknowledged before me on theday of by:	, 2008,
	Notary Public, State of

Notary's name (printed):



## DALE RESOURCES 2100 ROSS AVE # 1870 LB 9

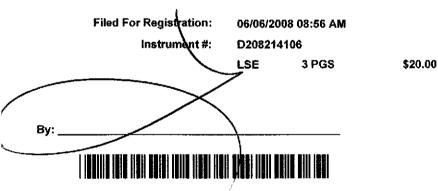
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

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D208214106

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